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PATENT APPLICATION

**SYSTEM AND METHOD FOR
BRAND NAME GIFT CARD EXCHANGE**

TECHNICAL FIELD

The present invention relates generally to electronic commerce and, more particularly, to the exchange of gift
5 cards.

BACKGROUND

Many consumers have received gift cards, also known as gift certificates, from different stores, especially
10 franchises, for Christmas, birthdays, anniversaries, and so forth. Sometimes these gift cards are welcome, and sometimes they are for stores and shopping boutiques that the recipient/ consumer does not wish to frequent. In many instances, these gift cards tend to "burn a hole" in the
15 pocket of the consumer, as the consumer looks for a way to use the card, whether or not the consumer needs or desires anything from those particular stores. Furthermore, if these cards are redeemed for cash, they are typically redeemed at the store of the card issuer, necessitating an
20 unwanted trip by the consumer.

Therefore, there is a need to exchange or redeem gift cards in a manner that addresses at least some of the problems associated with conventional gift card redemptions or exchanges.

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SUMMARY OF THE INVENTION

The present invention provides for exchanging a gift card. Data associated with a first gift card is provided. The data associated with the first gift card is validated.
30 Either a money rebate associated with the first gift card,

or a second gift card is selected. The first gift card is exchanged for either a money rebate or the second gift card.

BRIEF DESCRIPTION OF THE DRAWINGS

5 For a more complete understanding of the present invention, and the advantages thereof, reference is now made to the following Detailed Description taken in conjunction with the accompanying drawings, in which:

FIGURE 1 schematically depicts a system for
10 electronically exchanging or redeeming gift cards; and

FIGURES 2A and 2B illustrate a method for electronically exchanging or redeeming gift cards.

DETAILED DESCRIPTION

15 In the following discussion, numerous specific details are set forth to provide a thorough understanding of the present invention. However, those skilled in the art will appreciate that the present invention may be practiced without such specific details. In other instances, well-
20 known elements have been illustrated in schematic or block diagram form in order not to obscure the present invention in unnecessary detail. Additionally, for the most part, details concerning network communications, electro-magnetic signaling techniques, and the like, have been omitted
25 inasmuch as such details are not considered necessary to obtain a complete understanding of the present invention, and are considered to be within the understanding of persons of ordinary skill in the relevant art.

In the remainder of this description, a processing unit
30 (PU) may be a sole processor of computations in a device. In such a situation, the PU is typically referred to as an MPU (main processing unit). The processing unit may also be one of many processing units that share the computational

load according to some methodology or algorithm developed for a given computational device. For the remainder of this description, all references to processors shall use the term MPU whether the MPU is the sole computational element in the device or whether the MPU is sharing the computational element with other MPUs, unless otherwise indicated.

It is further noted that, unless indicated otherwise, all functions described herein may be performed in either hardware or software, or some combination thereof. In a preferred embodiment, however, the functions are performed by a processor, such as a computer or an electronic data processor, in accordance with code, such as computer program code, software, and/or integrated circuits that are coded to perform such functions, unless indicated otherwise.

Turning to FIGURE 1, disclosed a system 100 in which gift card redemption can occur. The redemption can occur in the form of an exchange of a gift card for another gift card, or the exchange of a gift card for money. The gift card transaction typically occurs through an electronic or optical medium, such as through accessing the Internet, DTMF telephone signals, information entered into an ATM, and so on. In a further embodiment, the gift card for one store can be exchanged for the gift card of another store. This also typically occurs through an electronic medium, such as through accessing the Internet, DTMF telephone signals, information entered into an ATM, and so on.

The system 100 generally incorporates "business to business" (B2B) and "business to consumer" (B2C) technologies to provide the business participants of the B2B with new marketing opportunities, and provides consumers with new customer satisfaction services. Generally, the B2B exchange will either instigate the partial refund of a gift card, for a fee, or the B2B exchange will issue another gift

card for a participating vendor, minus a transaction fee.

In the system 100, a plurality of consumer personal computers (PCs) 107 are employed by consumers 114. Alternatively, the consumers 114 can use a phone 105. The
5 PCs are coupled to Internet 115, and the phone 105 is coupled to a voice response unit (VRU) 110. Both the Internet 115 and the VRU 110 are coupled to a consumer transaction server (CTS) 120. The transaction exchange server (TES) 140 is coupled to a vendor transaction server
10 (VTS) 145, an exchange database 150, and Federal Reserve Electronic Funds Transfer (EFT) 165. The Internet 115 is further coupled to a plurality of vendor servers. The exchange database 150 is coupled to a data mining and query system 170. The federal EFT 165 is coupled to a plurality
15 of consumer banks 175, 180.

The system 100 can work substantially as follows. The consumer 114 can either phone or interact with the Internet through consumer PC's 107 or through the employment of a Kiosk/ATM machine in a store. The consumer 114 wishes to
20 either exchange the original gift card for another gift card, or have a check issued and mailed or otherwise have a credit issued to his account. The consumer 114 also inputs his or her checking or banking information and/or mailing address, or the name of another gift card brand for which
25 the consumer 114 selects to have the present gift card swapped.

The consumer transaction server 120 receives the consumer's request. The consumer transaction server 120 forwards the request to the transaction exchange server 140,
30 which accesses the exchange database 150 to determine whether the card brand type is a valid card brand type (that is, whether it is supported, such as a "Borders Bookstore" or "WalMart" card). The transaction exchange server 140

accesses the vendor transaction server 145 to verify that a card to be exchanged is individually a valid card, that is, whether it has a valid identification number. If it is valid, the vendor transaction server 145 releases the
5 equivalent of the value of the card, minus a transaction fee, to the transaction exchange server 140. The transactional exchange server 140 can either request that the Federal Reserve EFT 165 transfer funds from the vendor banks 180 to the consumer banks 175. Alternatively, the
10 server 140 can order a printer 125 to issue a check 130 to be sent through the US mail 135 to the consumer. Alternatively, a replacement card 127 can be sent through the US mail 135.

In the system 100, the vendor transaction server 145,
15 when allowing its card to be exchanged or cashed, would typically charge a fee for this, for instance 2% of the face value of the card. Then, the transaction exchange server 140 would charge an additional fee, say 8% of the face gift card amount, to send a check directly to the consumer, or 6%
20 to exchange the original gift card for another gift card. The exchange of cards can happen as described in the following.

The consumer 114 inputs the card to which he or she wishes to exchange, as well as the identification number on
25 the original card. The transaction exchange server 140 gets the release of the credit from the original vendor, as described above. However, the transaction exchange server then authorizes another exchange to another card, minus a transaction fee for the exchange. For instance, a "Borders
30 Book Store" could be exchanged for a "WalMart" card. The original vendor takes its cut, such as 2%, and credits the B2B exchange, such as at the TES 140, with the remaining amount of cash. The TES 140 then requests that the second

vendor authorize a second gift card for its own brand.

In a further embodiment, the exchanges made over the TES 140 could be monitored to aid in the determination of marketing trends. For instance, the exchange database 150
5 could record information pertinent to each gift card exchange, such as the brand name associated with the issued card, the amount of money of the gift card, the date that the card was issued, the date that the gift card was exchanged, the zip code of the consumer making the exchange,
10 whether money or another gift card was requested in the exchange, and if so, what the brand name the card was switched to, and so on. Then, this information is requested or searched for by the data mining and query system 170 to look for patterns or other pieces of information of merit
15 for use by marketers to determine the buying patterns/exchange patterns of consumers. In the system 100, this can be performed by the data mining and query system 170, but other means to perform data mining is within the scope of the present invention.

20 Turning now to FIGURES 2A and 2B, illustrated is a method 200 for exchanging or refunding a gift-card. In step 210, the consumer decides that an exchange or refund is warranted. In step 220, the consumer accesses the B2B gift card exchange. This can be through the Internet, through
25 DTMF tones, through an ATM machine, or other information exchange mechanism.

In step 230, the consumer provides the merchant name on the gift card, and in step 240, the consumer provides the gift card account number on the gift card. In step 250, the
30 system 100 queries the consumer as to whether he or she wishes to get cash, or another gift card. If the consumer chooses cash, the gift card account number is checked for validity in step 263. If the card is found to be not valid

in step 271, then the flow stops in step 295. If the flow is valid, then credit is transferred from the named merchant to the "B2B Gift Card Exchange" in step 275, less a service fee originated by the vendor, such as a \$2.00 fee. In step 5 281, a check, such as for \$90 is printed for a consumer, or a credit of \$90 is generated for the consumer. The B2B charges a transaction fee for converting the gift credit to a form usable by the consumer is generated, such as \$8.00. In step 290, the check or credit for the refund is routed 10 through the system. In step 293, the B2B exchange recognizes an \$8.00 profit for a cash back option. Alternatively, a kiosk is used to either receive gift cards/ gift card information, and/or to output a new gift card or the equivalent cash amount. Generally, the consumer 15 provides the information as detailed above to the kiosk, and the kiosk can also issue either the cash, a check, credit a checking or savings account, or an alternative gift card. The method 200 stops in step 295.

Alternatively, in step 250, if the consumer chooses an 20 alternative gift card instead of the cash back option, the gift card account number is checked for validity in step 266. If the card is not valid in step 273, then the flow stops in step 295. In the flow is valid, then credit is transferred from the named merchant to the "B2B Gift Card 25 Exchange" in step 277, less a service fee originated by the vendor, such as a \$2.00 fee. In step 283, the selected second gift card for \$92.00 is purchased on line, and is mailed or otherwise bestowed upon the consumer. (The B2B takes a service fee of \$6.00, for example). Alternatively, 30 the kiosk is used to either and/or receive gift cards/ gift card information, and to output a new gift card or the equivalent cash amount. Generally, the consumer provides the information as detailed above to the kiosk, and the

kiosk can also issue either the cash, a check, credit a checking or savings account, or an alternative gift card.

In step 293, the B2B exchange recognizes a \$6.00 profit for the exchange of gift card option. The method flow 200
5 stops in step 295.

It is understood that the present invention can take many forms and embodiments. Accordingly, several variations may be made in the foregoing without departing from the spirit or the scope of the invention. The capabilities
10 outlined herein allow for the possibility of a variety of programming models. This disclosure should not be read as preferring any particular programming model, but is instead directed to the underlying mechanisms on which these programming models can be built.

15 Having thus described the present invention by reference to certain of its preferred embodiments, it is noted that the embodiments disclosed are illustrative rather than limiting in nature and that a wide range of variations, modifications, changes, and substitutions are contemplated
20 in the foregoing disclosure and, in some instances, some features of the present invention may be employed without a corresponding use of the other features. Many such variations and modifications may be considered desirable by those skilled in the art based upon a review of the
25 foregoing description of preferred embodiments. Accordingly, it is appropriate that the appended claims be construed broadly and in a manner consistent with the scope of the invention.